

WAR CLAIMS OF CANADIAN LIFE COMPANIES.

Mr. Arthur B. Wood, actuary of the Sun Life of Canada, recently read before the Actuarial Society of America, a paper dealing with the experience of Canadian life companies in respect of war risks, the conclusions of which are reassuring. "No data based upon insurance experience are as yet available, from which to ascertain the rate of war mortality thus far experienced," said Mr. Wood. "Several of the companies have attempted to estimate the amount of insurance at risk on the lives of persons who enlisted for overseas service, but as permits are not required under policies issued prior to August, 1914, it has been found impossible to obtain even an approximate idea of the amount of the exposures. The general effect of the war claims upon the mortality as a whole may however be observed by comparing the actual claims of the year with the expected by the standard valuation table."

"In the following table the percentage which the net death losses (sums assured less reserve thereon) during the year ending December 31, 1915, were of the expected by the Om (5) table are shown for eight of the nine companies, (a) excluding war claims, and (b) including war claims. The percentages which the gross war claims were of the mean business in force in Canada are also shown. The companies are not referred to by name, but are tabulated in the order of percentages in the second column.

EFFECT OF WAR CLAIMS OF NINE CANADIAN COMPANIES
DURING THE YEAR ENDING DECEMBER 31ST, 1915.
CANADIAN BUSINESS ONLY.

No.	Percentage Total Canadian Claims of Expected.	Net War Claims P.C. of Expected	Gross War Claims P.C. of Mean Total
	(a) Excluding War Claims	(b) Including War Claims	
1	28.1	42.6	14.5
2	35.0	45.0	10.0
3	30.2	45.2	15.0
4	40.1	54.6	14.5
5	44.3	55.7	11.4
6	50.0	57.4	7.4
7	49.5	64.3	14.8
8	60.4	72.9	12.5
9	Not given		—
Total.	46.1	58.4	13.3

TOTAL MORTALITY FAVORABLE.

"The total mortality including war claims is seen to have been remarkably favorable in every instance, the ratio of actual to expected ranging from 42.6 per cent. to 72.9 per cent., while for the eight companies combined it was 58.4 per cent. The net loss under war claims for the combined companies was 13.3 per cent. of the expected claims. The gross war claims for the nine companies combined were .134 per cent. of the mean Canadian business in force. The corresponding figures for the Mutual Life of New York, as given by Mr. Thompson, were .107 per cent. for Canada, and .196 per cent. for the combined business in all countries engaged in the war. The gross Canadian claims incurred by the nine companies were \$5,834,822 of which \$900,869, or 15.2 per cent. were due to the war. The corresponding ratio for the ten British offices given in Mr. Thompson's paper is 8.7 per cent., but as the annual reports from which the figures were taken were for the year 1914,

the war claims in the case of those companies whose year ends on December 31, would be those incurred during the first five months of the war only. The war claims reported by the Canadian companies include deaths from all causes among combatants and also deaths among non-combatants through acts of war, such as the sinking of the Lusitania and other vessels."

A BRITISH EXPERIENCE.

"In the annual statement for 1915, recently received from one of the large British offices, the total death claims for the year are reported to have been £472,672, or which £76,541, or 14.3 per cent., were war claims. The actual mortality was 90.3 per cent. of the expected, and excluding war claims, 76.4 per cent. The war claims of this particular company were therefore 13.9 per cent. of the expected mortality as compared with 13.3 per cent. for the Canadian companies. The report stated that the mortality apart from war claims was above the average, the reason advanced being increased death rate among elderly people due to the anxiety and strain caused by the war. The Canadian companies, on the other hand, appear to have experienced a particularly favorable mortality apart from war claims, but the proportion of aged policyholders in Canadian companies is probably much lower than in the British company. The preceding figures show that as far as the Canadian companies are concerned the war claims during 1915 have had no disturbing effect upon the mortality as a whole."

In following portions of his paper, Mr. Wood states that heavier war loss rates are reasonably to be expected as the war continues, owing to the increasing size of the Canadian Contingent at the front.

THE PROBLEM OF UNDER-INSURANCE.

Apparently in England, some new light on under-insurance conditions has been thrown through the operation of the Government air-craft insurance scheme which has been worked through the British fire offices. According to an interesting review published in the Policyholder the scheme has served a useful purpose in proving to British underwriters the need for the universal application of some condition of average—if not the *pro rata*, then the 80 per cent. The difference between the sums insured on identical risks against fire and air-craft respectively is not confined to any particular class of industry or property. The fireproof building, the non-hazardous shed, the sprinklered factory, the risk chiefly occupied for wet processes, churches, municipal properties and private residences have all in the past been more or less covered for inadequate amounts. But, remarks the Policyholder, with so many energetic competitors in the field, all scrambling for business, it is easy to appreciate why the policyholder is privileged to continue his system of under-insurance.

Another consequence of aircraft insurance is that a large amount of new fire business—practically all non-hazardous—has been secured from unexpected sources, particularly the East Coast, where there is the possibility of bombardment. The extent of this business, however, the Policyholder thinks, does not balance the amount accepted "under protest" on undesirable risks.